

TCFD Entity Report - Statement of Compliance:

I confirm that the disclosures made in this CapVest Partners LLP TCFD Entity Report for the reporting period ending 31/12/2023 are compliant with the relevant requirements set out under Chapter 2 of the Environmental, Social and Governance Sourcebook issued by the Financial Conduct Authority (FCA).

This TCFD Entity Report contains disclosures made directly by CapVest Partners LLP and does not cross-reference or incorporate any third-party or group disclosures.



Seamus FitzPatrick

Managing Partner

CapVest Partners LLP

20th June 2024

Pillar	Disclosure	Details	CapVest Answer
Governance	Describe the board's oversight of climate-related risks and opportunities.	Processes and frequency by which the board and/or board committees are informed about climate-related issues	The CapVest Board will be provided with an annual climate update by the Head of ESG.
		Whether the board and/or board committees consider climate-related issues when: reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans; setting the firm's performance objectives; monitoring implementation and performance; overseeing major capital expenditures, acquisitions, and divestitures	The CapVest Board factors the climate update into its other deliberations. The CapVest Board has not set any climate-related performance targets.
		How the board monitors and oversees progress against goals and targets for addressing climate-related issues	The CapVest Board has not set any such goals or targets.
	Describe management's role	Whether the firm has assigned climate-related responsibilities to management-level positions or committees	Climate-related responsibilities are managed by the CapVest ESG Committee (ESGC).

	in assessing and managing climate-related risks and opportunities.	Whether such management positions or committees report to the board or a committee of the board; those responsibilities include assessing and/or managing climate related issues	The ESGC will review the climate report before it is presented to the Board. The Board may task the ESGC with climate-related tasks as appropriate.
		A description of the associated organisational structure(s)	The CapVest ESGC is comprised of a Senior Partner, the Head of ESG, the Head of IR, the Head of Compliance, and a rotating member of the deal team.
		Processes by which management is informed about climate-related issues	The CapVest ESGC will be provided with an annual climate update by the Head of ESG, or more frequently as needed.
		How management (through specific positions and/or management committees) monitors climate-related issues.	The CapVest ESGC will monitor climate-related issues through the climate update, or through ad hoc updates it may request.
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	What CapVest considers to be the relevant short-, medium-, and long-term time horizons, taking into consideration: the useful life of the firm’s assets or infrastructure; the fact that climate-related issues often manifest themselves over the medium and longer terms	Short-term: less than five years Medium-term: five to ten years Long-term: over ten years
		The specific climate-related issues potentially arising in each time horizon (short, medium, and long term) that could have a material financial impact on the firm	As CapVest’s investment strategy is not inherently bound to any set of industries, CapVest’s strategy is exposed to the same climate-related risks to which the entire economy is exposed. Those are, in short, increased temperature volatility, extreme weather phenomena, chronic climactic changes, water stress, losses in biodiversity, and the political and economic effects of those phenomena. CapVest defines time horizons in the following manner: Short: less than five years Medium: five to ten years Long: over ten years
		The processes used to determine which risks and opportunities could have a material financial impact on the firm their risks and opportunities by sector and/or geography, as appropriate	As CapVest’s investment strategy is not beholden to any specific industries, our <i>ex ante</i> climate-related risk analysis will occur at the asset level, rather than the sector or geography level, using scenario analysis.
	Describe the impact of climate related risks and opportunities on the organization’s businesses, strategy,	How identified climate-related issues have affected CapVest’s business, strategy, and financial planning, including these areas: Products and services; Supply chain and/or value chain; Adaptation and mitigation activities; Investment in research and development; Operations (including types of operations and location of facilities); Acquisitions or divestments; Access to capital	Climate-related risks have not yet materially affected CapVest’s business, strategy, or financial planning.

	and financial planning.	How climate-related issues serve as an input to their financial planning process	Climate-related issues are not currently material for our financial planning process.	
		The time period(s) used	N/A	
		How these risks and opportunities are prioritized	Risks will be prioritised based on their likelihood, magnitude, and costliness of management. Opportunities will be prioritised on their potential to increase an investment's value.	
		The impact of climate-related issues on their: Financial performance (e.g. revenues, costs); Financial position (e.g. assets, liabilities)	Climate-related risks have not affected CapVest's financial performance, although we recognise that such risks could affect the performance of our investments in the future.	
		Climate-related scenarios, if such scenarios were used to inform the firm's strategy and financial planning	N/A	
		Asset managers should describe how climate-related risks and opportunities are factored into relevant products or investment strategies.	Given the nature of CapVest's investment strategy climate-related risks will be primarily analysed at the asset level.	
		Asset managers should also describe how each product or investment strategy might be affected by the transition to a lower-carbon economy	Given the nature of CapVest's investment strategy transition risks will be primarily analysed at the asset level.	
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	How resilient their strategies are to climate-related risks and opportunities, taking into consideration: a transition to a lower-carbon economy consistent with a 2°C or lower scenario; where relevant to the firm, scenarios consistent with increased physical climate-related risks	CapVest's strategy is designed to minimise our exposure to systemic risk, and hence should be relatively resilient in the face of climate-related risks. CapVest does not foresee a climate scenario in which demand for the products and services provided by the industries in which it has historically invested would be negatively affected. Further, given the demand for those services and products, those industries may well be exempted from regulatory transition risks such as carbon pricing.	
		Where they believe their strategies may be affected by climate-related risks and opportunities	N/A	
		How their strategies might change to address such potential risks and opportunities	N/A	
		The climate-related scenarios and associated time horizon(s) considered	CapVest will use SSP1-2.6, SSP2-4.5, and SSP3-8.5 scenarios in its risk management. Generally these analyses will focus on the short-to-medium term.	
	Risk Management	Describe the organization's processes for identifying and	Their risk management processes for identifying and assessing climate related risks	When examining a potential acquisition, CapVest may note the potential climate-related risks and opportunities in the concept memo where relevant.

	assessing climate-related risks.		<p>Should a potential deal progress to due diligence, CapVest may analyse the climate-related risks to which the target is exposed. CapVest may also conduct an analysis of the physical risks to which the company's key locations are exposed, using three climate scenarios. CapVest may also work to understand the climate-related risks to which the company's supply chain is exposed, where relevant. This analysis is likely to focus on risks likely to materialise in the short-to-medium term.</p> <p>The results of the due diligence may be included in the final Investment Committee memo, where relevant.</p>
		How firms determine the relative significance of climate-related risks in relation to other risks	CapVest is exploring ways to attach a price to climate-related risks in a rigorous manner.
		Whether they consider existing and emerging regulatory requirements related to climate change (e.g., limits on emissions) as well as other relevant factors considered	CapVest will include regulation, and potential regulatory developments, in its analysis of climate-related risks.
		Processes for assessing the potential size and scope of identified climate related risks	CapVest is exploring ways by which to quantify climate-related risks in a rigorous manner.
		Definitions of risk terminology used or references to existing risk classification frameworks used	CapVest does not currently use any specific climate-related risk terminology.
		Asset managers should describe, where appropriate, engagement activity with investee companies to encourage better disclosure and practices related to climate-related risks in order to improve data availability and asset managers' ability to assess climate-related risks.	CapVest is heavily involved with its portfolio companies, and is generally able to extract data from them as necessary. For instance, CapVest works with its portfolio companies to ensure that they can provide annual GHG emissions data.
		Asset managers should also describe how they identify and assess material climate-related risks for each product or investment strategy. This might include a description of the resources and tools used in the process	CapVest runs a single strategy; the risk management processes implemented in that strategy are described above.
	Describe the organization's processes for managing climate-related risks.	Managing climate-related risks, including how they make decisions to mitigate, transfer, accept, or control those risks	Once climate-related risks have been identified, CapVest will take a view as to whether they can be managed. If they have the potential to permanently impair the value of a company, CapVest may not invest. If they can be managed, CapVest will work with the company to do so.
Prioritizing climate-related risks, including how materiality determinations are made within their firms		Climate-related risks are material when they have the potential to negatively affect the value of the company. Climate-related risks are prioritised in the same manner as any other risk, weighing the likelihood, magnitude, and expense of management.	

		Asset managers should describe how they manage material climate related risks for each product or investment strategy, economy	CapVest runs a single strategy; the risk management processes implemented in that strategy are described above.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	How their processes for identifying, assessing, and managing climate-related risks are integrated into their overall risk management	The consideration of climate-related risks is integrated into CapVest's overall risk management processes, from the moment a potential acquisition is identified to the moment a portfolio company is sold. As described above, the risk management process primarily occurs at the level of the portfolio company. This is complemented by the annual climate report to the Board, which can be made more frequently if necessary.
Metrics and Targets	Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	The key metrics used to measure and manage climate-related risks and opportunities, as described in Tables A14 and A25	CapVest is still refining the manner in which it quantifies climate-related risks and opportunities. CapVest also collects Scope 1 and Scope 2 GHG emissions from each portfolio company.
		Metrics on climate-related risks associated with water, energy, land use, and waste management where relevant and applicable	CapVest may begin collecting certain water usage metrics from the portfolio companies for which they are material in the future.
		Whether and how related performance metrics are incorporated into remuneration policies (where climate-related issues are material)	CapVest does not incorporate climate-related metrics into remuneration policies.
		Where relevant, their internal carbon prices as well as climate-related opportunity metrics such as revenue from products and services designed for a lower-carbon economy	CapVest has not set an internal carbon price, nor does it currently generate material revenues from products and services designed for a lower-carbon economy.
		Asset managers should describe metrics used to assess climate related risks and opportunities in each product or investment strategy. Where relevant, asset managers should also describe how these metrics have changed over time	CapVest runs a single strategy. Please see above.
		Where appropriate, asset managers should provide metrics considered in investment decisions and monitoring.	CapVest is working to refine the metrics it will use to quantify climate-related risks.
		Asset managers should describe the extent to which their managed assets are (where relevant) aligned with a "well below 2 degrees" scenario.	CapVest's portfolio companies have relatively small operational carbon footprints, but we have not measured each portfolio company for Paris alignment.
		Scope 1 and Scope 2 GHG emissions ¹	Scope 1: 30 tCO ₂ e

¹ CapVest's Scope 1, 2, and 3 emissions, with the exception of those related to our investments, were estimated for 2023 using extrapolations from 2022 data. Please contact CapVest for more details on how these calculations.

	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.		Scope 2: 25 tCO2e
		Scope 3 GHG emissions	Scope 3: 131,313 tCO2e
		Asset managers should provide the weighted average carbon intensity, where data are available or can be reasonably estimated, for each product or investment strategy.	CapVest Partners Fund III: 4 tCO2e / €m CapVest Partners Fund IV: 21 tCO2e / €m CapVest Partners Fund V: 21 tCO2e / €m CapVest Partners Special Opportunities Fund 2: 25 tCO2e / €m CapVest Partners Special Opportunities Fund 3: 2 tCO2e / €m CapVest Partners Special Opportunities Fund 4: 32 tCO2e / €m CapVest Partners Special Opportunities Fund 6: 49 tCO2e / €m CapVest Partners Special Opportunities Fund 7: 4 tCO2e / €m CapVest Partners Special Opportunities Fund 8: 9 tCO2e / €m
		In addition, asset managers should provide other metrics they believe are useful for decision making along with a description of the methodology used. See Table 2 of the TCFD Annex for common carbon footprinting and exposure metrics, including weighted average carbon intensity.	Please see above.
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Their key climate-related targets such as those related to GHG emissions, water usage, energy usage, etc., in line with anticipated regulatory requirements or market constraints or other goals	Capvest has not set climate-related targets.
		Other goals, including efficiency or financial goals, financial loss tolerances, avoided GFIG emissions through the entire product life cycle, or net revenue goals for products and services designed for a lower-carbon economy.	Please see above.
		In describing their targets, firms should consider including the following: whether the target is absolute or intensity based; time frames over which the target applies; base year from which progress is measured, and; key performance indicators used to assess progress against targets.	Please see above.
		a firm must describe any targets it has set to manage climate-related risks and opportunities, including the KPIs it uses to measure progress against those targets (or, explain why it has not yet set such targets)	Please see above.